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Part 1: News Analysis

President Berdymukhamedov's pro-engagement foreign policy scored another dramatic diplomatic turn-around this week. As he had done successfully with Azerbaijan, he thawed frosty relations with his northern neighbor Uzbekistan and hosted President Islam Karimov in the Turkmen capital to great fanfare after 16 years of strained and sometimes bellicose relations.

Karimov, who had been snubbed on previous visits and had refused to attend President Berdymukhamedov's inauguration, was accorded the title of "Honorary Elder" of Turkmenistan and received lavishly. Berdymukhamedov's assurances at last week's Caspian Summit in Tehran that his foreign policy was based on international law and principles of state sovereignty had undoubtedly been well received in official Tashkent.

But behind the ceremonial affirmation of close relations, the Turkmen-Uzbek bilateral agenda remains complex and emotionally charged. Tensions persist over disputed territories, water policy, discrimination against Turkmenistan's ethnic Uzbek minority, illegal gas sales that benefit the ruling elites on both sides, energy transport, and border control. During his visit, Karimov urged that the two states collaborate to prevent further deterioration of the security situation in neighboring Afghanistan. Overall, the summit resulted in statements of principle and a raft of specific, broad-ranging agreements. A reciprocal visit of President Berdymukhamedov to Uzbekistan is now under discussion.

Belgian envoy Ambassador Mark van Risselberghen arrived in Ashgabat to discuss the final details of President Berdymukhamedov's trip to Brussels on November 5 to meet with the European Commission and discuss EU-Turkmen relations, particularly in the critical sphere of energy security, which the EU hopes will relieve its current dependency on Russia. The president also met this week with British Foreign Ministry official Niall Cullens, British Defence Ministry official Andrew Lee, and US envoy to the OSCE, Julie Finley.

The Indian Explorer Oil and Natural Gas Company (ONGC) announced this week that its joint venture ONGC-Mittal Energy Ltd. had acquired a 30-percent participating interest in an exploration block in Turkmenistan for an undisclosed sum. An additional half a billion US dollars in contracts were also finalized this week at a presentation for Avaza, the new resort and free economic zone on the Caspian coast that the president hopes will attract foreign investment.

An independent watchdog group, the Turkmen Initiative for Human Rights, took on one of President Berdymukhamedov's signature reforms – internet access – this week, asserting that local bureaucrats were sabotaging his efforts to increase access to the web. The émigré web site reported that since Berdymukhamedov came to power, internet access has genuinely increased, but that the Minister of Communications among others have prevented steps that would allow independent service providers and other necessary services to function in Turkmenistan.

Part 2: News Digest

Summary: President Berdymukhamedov's reception of Uzbekistan's President Islom Karimov was a diplomatic triumph after 16 years of tense relations, and is his latest foreign relations coup. The EU's Belgian envoy traveled to Ashgabat to set up the Turkmen leader's trip to Brussels next week, and ONGC obtained a 30-percent interest in a Turkmen gas exploration.

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1. INTERNATIONAL RELATIONS

a. Turkmen, Uzbek Leaders to Join Efforts in Resolving Problems

Source: Foreign Broadcast Information Service Monitoring/TV Altyn Asyr/10/20/07

Excerpt: At Turkmen President Gurbanguly Berdymuhamedov's invitation, the president of the Republic of Uzbekistan, Islom Karimov, paid an official visit to Turkmenistan on 18-19 October 2007, FBIS Monitoring reported, citing TV Altyn Asyr. During the fruitful talks held in an atmosphere of friendship and mutual understanding, the two presidents exchanged views on a wide range of issues concerning Turkmen-Uzbek relations as well as regional and international issues.

[Passage omitted: praising remarks on the present state of bilateral relations and on partnership]

The two presidents, having noted good prospects and benefits of partnership in the fuel and energy sector, specifically in expanding the network of pipelines for exporting energy resources of the Central Asian region, discussed the steady implementation of bilateral and multilateral agreements earlier concluded to this effect. [They] noted the mutual interest in coordinating their actions in joint and efficient use of irrigation facilities of the two countries based on bilateral accords as well as on universally accepted international norms and principles.

[Passage omitted: the two countries aspire to strengthen peace and stability in the region and to strengthen the role of the United Nations in international arena]

The presidents expressed an understanding of the need to further deepen and expand the struggle against international terrorism, religious extremism, drug trafficking and other dangers and threats to regional and international security. The state leaders noted the need for coordinated actions in the transport sector as one of the priority areas of bilateral relations, and determined mutually beneficial areas of partnership in road, railway, air and other types of transport.

The two presidents also emphasized the importance of the continuation of demarcation of the state borders between the two countries and noted that talks between Turkmenistan and the republic of Uzbekistan in this field are held in an positive atmosphere and in line with the international norms and principles and world experience. Expressing their satisfaction with the current talks on this issue, the presidents expressed their desire for the soonest completion of the talks.

[Passage omitted: the Uzbek president invites his Turkmen counterpart to visit Uzbekistan]
[signed by] President Gurbanguly Berdymuhamedov of Turkmenistan -- President Islom Karimov of the Republic of Uzbekistan.

b. Turkmen Leader Confers Honorary Title on Uzbek Counterpart

Source: Foreign Broadcasting Information Service/TV Altyn Asyr/10/18/07

Excerpt: Decree by the president of Turkmenistan on conferring on President Islom Karimov of the Republic of Uzbekistan the title of "Turkmenistanyň Hormatly Il Yasulysy" [The Honoured Elder of Turkmenistan].

To mark merits in expanding friendly relations between Turkmenistan and the Republic of Uzbekistan and in strengthening unity and accord between the two fraternal nations linked by traditional relations of goodwill and neighborliness and also taking into consideration the particular contribution to raising the level of political, economic and cultural ties between our countries, the title of "Turkmenistanyň Hormatly Il Yasulysy" is to be conferred on President Islom Karimov of the Republic of Uzbekistan.

[Signed by] The president of Turkmenistan, Gurbanguly Berdymukhamedov.

c. Uzbek Leader Voices Concern over Afghan Situation During Turkmen Visit

Source: Source: Foreign Broadcast Information Service/Tashkent Uzbek Television First Channel/10/19/07. Excerpt prepared by OSI Turkmenistan.

Excerpt: Uzbek President Islam Karimov has voiced concern over the current situation in Afghanistan, Uzbek TV reported on 19 October.

Speaking at a meeting with Turkmen President Gurbanguly Berdimuhamedov in Ashgabat on 18 October, President Karimov said: "We, who are close neighbors of Afghanistan, cannot but be seriously concerned and alarmed over the current situation in this country, which is characterized by a tendency towards further aggravation of the situation, considerable military activity of radical forces and continuing, uncontrolled and considerable growth in drug production and trafficking, or speaking simply, drugs aggression coming from Afghanistan. In our view, as paradoxical as it sounds, ways of achieving peace and stability in Afghanistan should be searched for not in the further militarization, the aggravation of the situation and the expansion of the scale of using force, but in demilitarization, or in the implementation of projects with the assistance of the international community, which are, above all, aimed at resolving social issues and the most topical socioeconomic problems, as well as supporting people," he said.

President Karimov visited the mausoleum of the late Turkmen president, Saparmyrat Niyazov, a mosque and an independence monument in Ashgabat, the report also said. He was presented with a Turkmen horse, the report added.

[Passages omitted on similar statement later on TV, and need for peace in Afghanistan to ensure Central Asian security.]

d. President of Turkmenistan Receives the Ambassador of the Kingdom of Belgium

Source: Official Website of the Government of Turkmenistan/10/19/07. Translation and synopsis prepared by OSI Turkmenistan.

Full version: <http://www.turkmenistan.gov.tm/?idr=1&id=071019b>

Synopsis: President Berdimukhamedov received the Ambassador of the Kingdom of Belgium, Mark van Risselberghen, on October 19. Amb. Risselberghen expressed great interest in broadening contacts with Turkmenistan. The ambassador said that cooperation with Belgium could facilitate Turkmenistan's role in the international arena, since Brussels is the political center where EU's main institutions are located. The two parties discussed in detail the forthcoming trip of the Turkmen leader to Brussels November 5 to meet with officials at the European Commission. The visit will serve as a good foundation for new ties between the European Union and Turkmenistan in all areas, including energy, agriculture, education, health, and the social sphere. President Berdimukhamedov expressed particular interest in studying Belgium's experience in resolving social problems.

The Turkmen president outlined his vision for a diversified approach to cooperation with the EU, noting the significance of Europe for Turkmenistan's foreign policy strategy, and the readiness of both sides to extend and activate mutually beneficial partnership.

e. British Foreign Office Official Meets with Turkmen Ministers

Original title: High-Ranking Foreign Office Official Arrives in Ashgabat. Translation and synopsis prepared by OSI Turkmenistan Project.

Source: Official Website of the Government of Turkmenistan/10/21/07

Full version: <http://www.turkmenistan.gov.tm/?idr=1&id=071021b>

Synopsis: Niall Cullens, director of the Central Asian Department of the UK Foreign Office, traveled to Ashgabat October 21-22 to meet with counterparts at the Turkmen Ministry of Foreign Affairs as well as the Mejlis (parliament), the Ministry of the Gas and Oil Industry and Mineral Resources; the President's State Agency for Management and Exploitation of Hydrocarbon Resources; the State Commission on Combating Drug-Trafficking; and the Presidential National Institute for Democracy and Human Rights. Cullens also plans to meet with the heads of diplomatic missions and international organizations accredited in Turkmenistan.

f. U.S. Ambassador to the OSCE, Julie Finley, Visits Turkmenistan

Source: U.S. Embassy in Ashgabat, web site/10/19/07

Full version: <http://turkmenistan.usembassy.gov/pr20071019.html>

The U.S. Ambassador to the Organization for Security and Cooperation in Europe (OSCE), Julie Finley, will pay a three-day official visit to Turkmenistan starting October 20, 2007, the web site of the U.S. Embassy in Ashgabat reported. During her visit to Ashgabat and Mary cities, she will meet with non-governmental groups to learn about their work in public initiatives, human rights issues, and other work including market and economic reforms. Ambassador Finley will also meet with Turkmenistan government officials to discuss the pace and scope of societal reform in the country.

Ambassador Julie Finley was nominated to head the U.S. Mission to the Organization for Security and Cooperation in Europe (OSCE) by U.S. President George Bush and was sworn in August 2005. She has worked for the television news agencies NBC and ABC News and for The Washington Post. Ambassador Finley previously visited Turkmenistan in May, 2006.

2. DOMESTIC DEVELOPMENTS

a. Turkmen Officials Obstruct President's Internet Initiatives

Original title: *Updated Technologies and Old-Fashioned Ministers. Excerpt prepared by OSI Turkmenistan Project.*

Source: *Turkmen Initiative for Human Rights/10/21/07*

Full version: <http://www.chrono-tm.org/?0257043498000000000000011000000>

Excerpt: In the late 1990s, the private companies CompAsia and Ariana received financial credits and were quite successful in developing the Internet business. Even now the number of those wishing to be involved in this business is rather high. However, everything is hampered by the Ministry of Communications of Turkmenistan which has within its structure the state enterprise Turkmentelekom, which has in turn the monopoly on rendering Internet services to the population. The situation is absurd: the Ministry is entitled to issue licenses for this sort of activity and, at the same time, acts as a monopolist in this sphere of business. Even formally, without solving this problem, any efficient use of the Internet in Turkmenistan cannot begin. However, the problem of accessible Internet in the country can be resolved surprisingly fast and the experience of the rest of the world, except of those states who are «enemies of Internet» shows this. Yet, the Ministry of Communications does not want to lose its monopoly on receipt and transmission of the only satellite channel in Turkmenistan and thus as far as possible hinders the development of small businesses which are based on the partial sale of this channel to private structures for the Internet cafes network to be expanded, not to mention the issuing of licenses for the receipt and transmission of the independent satellite signal to independent providers. [...]

Furthermore, the Ministry of Communications regularly receives proposals from large foreign investors to build up a structure which would render a whole range of services related to Internet access; yet, Mr. Khodzhaburbanov the Minister of Communications blocks all these initiatives. Thus, the President's idea to make access to the Internet in the country universal is simply being sabotaged. There are numerous examples. The tenders for the supply and installation of equipment to expand access to the Internet which are announced from time to time end up in a mess. It appears that the Minister is in the clouds suggesting the use of advanced but still exotic technologies while not actually being able to arrange basic access to the Internet through telephone line dial-up. Up until now individual access to the Internet cannot be freely obtained. However, the fact that all decisions are made without consulting experts, without looking at the perspectives they can bring and the service market at large and its specific segments has the most destructive effect on this sector. The WiMax technology of Internet access which is implemented will require re-equipping the computers with new devices while dial-up access needs no significant investments as phone networks and ordinary modems are widely used. [...]

State ownership of the so-called domain name, the domain of the first level (such as «ru» for Russia, «ua» for Ukraine, etc) is one of the attributes of the sovereign presence of the country on the Internet. The domain «tm» was attributed to Turkmenistan. However, the trick is that this combination does not just come from the spelling of the word «Turkmenistan», but is strongly associated with the common symbol of «trademark»

making it attractive to many large-scale business structures due to the use of the «tm» sign in the context of «registered trade mark». Yet, this domain name which is formally attached to Turkmenistan has never belonged to the country in practice! An Internet-swindler Batyr Karryev, prominent in Turkmenistan, manipulated foreign donors and took advantage of the incompetence of the authorities by becoming the holder of the domain name long ago, thereby earning good money. The country not just lost its sovereignty on the Internet, which is nonsense in itself but nonetheless a current and potential source of income. The Minister of Communications cannot remain unaware of this problem. Furthermore, the ministerial employees have repeatedly brought this issue to the attention of the Ministerial Board; yet, the Minister was very much against using the available mechanisms to restore the usual order of things. All those interested are recommended to visit «TM Domain Registry Ltd» <http://www.iana.org/root-whois/tm.htm> and <http://www.nic.tm/> where Batyr Karryev trades in the domain name «tm» which belongs to Turkmenistan.

One can endlessly talk about the incompetence of the Ministry. Yet, even this incompetence could be ignored if the Minister and his circle valued the opinion of the specialists and experts. However, it appears that the Minister made a final decision to turn the Ministry under his authority into a private business by not allowing those who have a basic understanding of modern technologies and market methods of economy to do any decision making. Using his authority he appointed many of his relatives to key positions and in order to vacate these workplaces he simply eased the other employees out, often with direct threats. He told a Turkmentelekom official: «I will imprison you». The Minister seems to have mixed the specialization of his Ministry as investigative and punitive actions are not included in the duties of the Ministry of Communications. As a result, any achievements in the implementation of new technologies are dubious as all the work has been mainly accomplished by contractors of the Ministry – foreign firms. The strategy of development of the entire sector and its implementation which are preconditions for the development of a modern state are dependant upon the ambitions and incompetence of a certain individual and his inner circle. [...]

b. U.S. Government Announces Winners for Cultural Program

Original title: U.S. Government Announces Winners of the 2007 Ambassador's

Fund for Cultural Preservation Program. Synopsis prepared by OSI Turkmenistan Project.

Source: U.S. Embassy in Ashgabat

Full version: <http://turkmenistan.usembassy.gov/pr20071022.html>

Excerpt: On October 17, the U.S. Embassy held an award ceremony to honor the winners of the 2007 Ambassador's Fund for Cultural Preservation grants at Turkmenistan's National Institute of Manuscripts at 7 p.m. This year, two grantees will receive funding from the United States to continue their existing projects to restore, conserve, and to promote public study of Turkmenistan's cultural heritage. The National Institute of Manuscripts in Ashgabat is receiving a grant of \$38,430 to continue restoration of fifteen manuscripts dating from the XVIII, XIX, and early XX centuries, written in Arabic, Turkmen and Persian that describe Turkmen history, culture, religion and literary works. The National Administration for Study, Conservation and Preservation of Historical Monuments is receiving a grant of \$14,500 to continue conservation and restoration of the Bronze Age archaeological site of Gonur-Depe, Margush in eastern Turkmenistan.

U.S. Chargé d'Affaires, a.i., Ambassador Richard Hoagland will be giving his opening remarks and present the winners with congratulatory letters. The grantees, who are also winners of the 2006 Ambassador's Fund for Cultural Preservation grants, will briefly describe the projects they have already completed. The U.S. Embassy will also present newly released brochures about the Ambassador's Fund for Cultural Preservation projects implemented in South and Central Asia in English and Russian languages, in which three of Turkmenistan's projects were highlighted. Representatives from Turkmenistan's Government, involved in administering programs related to the cultural and historical heritage of Turkmenistan and Turkmen state media representatives will participate in the ceremony.

[Passage omitted on history of the program.]

3. ECONOMIC NEWS

a. India's ONGC JV Buys 30 Percent in Turkmenistan Block

Original title: India's ONGC JV Buys 30 Percent in Turkmenistan Block/10/22/07. *Synopsis prepared by OSI Turkmenistan Project.*

Source: Reuters/10/22/07

Full version: <http://www.reuters.com/article/companyNewsAndPR/idUSL1534468920071015>

Synopsis: Indian Explorer Oil and Natural Gas (ONGC) said its joint venture ONGC-Mittal Energy Ltd. had acquired a 30 percent participating interest in an exploration block in Turkmenistan for an undisclosed sum, Reuters reported. The exploratory bloc in the Caspian Sea was said to cover 5,663 sq. km. Denmark's Maersk Oil, initially awarded the block in 2002, now has 36 percent of the interest, followed by Wintershall. Exploratory wells drilled by Maersk and Wintershall showed indication of hydrocarbons, and another well is planned to be drilled in 2008.

b. Scomi Gets \$47 m Turkmenistan Contract

Synopsis prepared by OSI Turkmenistan Project.

Source: The Star Online/biz.thestar.com/10/25/07.

Full version: <http://biz.thestar.com.my/news/story.asp?file=/2007/10/25/business/19268629&sec=business>

Synopsis: Scomi Group Bhd has secured a contract worth RM157 m [US \$47 m] from Petronas Carigali Sdn Bhd to provide integrated services in drilling fluids and waste management in Turkmenistan, biz.thestar.com of Malaysia reported. The contract includes the provision of mud chemicals, mud engineering services, solids control services, skip rentals and thermal plant services, the company stated. The three-year contract, which will go into force in May 2008, is the single largest contract awarded to Scomi in Turkmenistan to date. Although the company started operations in Turkmenistan only at the end of 2005, it has made major inroads with about RM201mil [US \$60 m] worth of contracts secured so far this year.

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